



Coconino County
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«F2» «F3»

«F5»

«F6», «F7» «F8»

March 27, 2009

Dear «F2»,

RE: Status Update on Anasazi Trails County Improvement District

The purpose of this letter is to update you on the status of the Anasazi Trails County Improvement District (CID). This letter also recaps the history of the District.

On June 30, 2008 the County received a petition to establish the Anasazi Trails CID. The purpose of the District was to improve roads in the subdivision to county road standards. The petition was signed by 11 property owners in the proposed District representing 65% of the property owners. Arizona Revised Statutes obligates the County's Board of Supervisors to hold a public hearing within 40 days after receiving a petition.

In a letter sent out on July 1, 2008, I officially informed all property owners affected by the proposed district about the petition proposing the establishment of the road district. I invited everyone to participate in a meeting on July 23 to discuss the improvement process prior to the public hearing meeting with the Board of Supervisors. On July 23 we met at Summit Fire Station 33 together with your County Supervisor Liz Archuleta. During this meeting we received positive feedback about moving forward with establishing the road district by those in attendance. Only one family in attendance voiced concerns about the cost of the project.

On July 15, we sent out the Notice of Public Hearing on the Establishment of Proposed Improvement District via certified mail. The Public Hearing was scheduled on August 5 and was an opportunity for property owners to voice their opinion on the proposed road improvements. At this meeting the Board of Supervisors voted to establish the Anasazi Trails CID after no one expressed any concerns regarding the formation of the district.

The District entered into a contract with Civiltec Engineering Company of Prescott, Arizona to conduct the engineering and to prepare construction plans for the road improvements. On

October 29, District Engineer met with the District Members and County Staff to report the project costs after completing approximately 30% of the engineering process. On November 17, 2008 we met at Cromer School and received an update on costs again from the District Engineer after completing 60% of the engineering work. District Members expressed concerns about the costs of the project. It was agreed to by all District Members attending the meeting to conduct an "election" to determine whether or not to continue with the road improvement process.

An election was conducted and nine property owners voted in favor of continuing work on the district and seven against. One member did not vote. Based on the earlier meeting with the District members and given the close election margin, staff recommended putting the process on hold while construction bids were secured for Hashknife Trail CID, another county improvement district. With the bid results from Hashknife Trail CID, the District members would have more information about the actual costs of the project versus the engineer's estimated costs for the project. The winning bid for Hashknife Trail CID was 17% lower than the estimated prepared by the District Engineer.

On February 24 staff and Supervisor Archuleta met again with District members to discuss the bid results from Hashknife Trail CID and to gather input from the Anasazi Trails District Members about the next steps in the process. At this meeting District Members expressed serious concerns about the costs. A conclusion was reached at the end of the meeting to conduct another election given the new information received.

On March 4, staff sent out the letter with the ballot allowing everyone in the District to provide feedback on two options. The first option was to finalize the engineering work and proceed with a public hearing, which involved expending an additional \$20,000. The second option was to table the District and pay current costs. Option 1 (continue work) received six votes, or 40% of the total votes, and Option 2 (table the District and pay costs) received nine votes, or 60% of the total votes.

Given the recent election results, Supervisor Archuleta has decided to conduct a public meeting with the District's Board of Directors so that District members can directly communicate their opinions to the full District Board of Directors. Staff will send out certified letters to the District members with the date and time for the meeting with the District Board of Directors. Staff expects to conduct the public meeting within the next sixty days.

I hope this information is helpful to you. If you have any questions or need additional information, then please do not hesitate to contact me at (928) 779-6576 or my associate Eslier Musta at (928) 679-7176.

Sincerely,



Lucinda Andreani
Director of Special Initiatives